

Message Text

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TAGS: BENC, BEXP, ENRG, NI
SUBJECT: MAJOR PROJECT FOLLOWUP: PETROLEUM PIPELINES AND
STORAGE DEPOTS

REF: (A) STATE 249968 (NOTAL) (B) LAGOS 10447 (C) MOSCOW 13585 (NOTAL)
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1. IN ANSWER TO QUESTIONS IN REFTTEL A CONCERNING PETROLEUM
PIPELINE, EMBASSY UNDERSTANDS FROM WILLIAMS INTERNATIONAL OFFICIAL
PRESENTLY IN LAGOS THAT COMPANIES WHO WERE AWARDED DESIGN ENGINEER-
ING AND CONSTRUCTION CONTRACTS FOR PIPELINE SECTIONS ARE RESPONSIBWE
FOR DRAWING UP SPECIFICATIONS FOR EQUIPMENT MENTIONED IN PARA TWG.
THESE COMPANIES WILL SUBMIT LIST OF NOMINATED EQUIPMENT SUPPLIERS
WHOM THEY CONSIDER QUALIFIED AND REPUTABLE TO FMG CONSULTANT FOR
PIPELINE PROJECT, PENCOL, WHOSE LONDON PROJECT OFFICE IS AT
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11 GROSVENOR PLACE, LONDON. MINISTRY OF PETROLEUM RESOURCES (MPR)
AND PENCOL MAY ADD NAMES OF ADDITIONAL SUPPLIERS. PENCOL WILL THEN
HANDLE MAILING OF BID SPECIFICATIONS TO FINAL LIST OF NOMINATED
COMPANIES.

2. THUS, ANY EQUIPMENT SUPPLIERS WHO WISH TO BE CONSIDERED

WHO HAVE NOT ALREADY RECEIVED INVITATIONS TO BID SHOULD GET IN TOUCH WITH THE THREE DESIGN ENGINEERING AND CONSTRUCTION GROUPS. ONE OF THESE IS WILLIAMS INTERNATIONAL, 320 SOUTH BOSTON STREET, TULSA, OKLAHOMA. SECOND IS MONTUBI, 13 CORSO EUROPA, MILAN, ITALY. NO KNOWN OFFICE IN LAGOS. THIRD GROUP IS COMPOSED OF TSVETMETPROMEXPORT OF USSR AND IRAN MANAGEMENT AND ENGINEERING GROUP (IRANMEG). SINCE IRANMEG IS DESIGN ENGINEERING MEMBER OF THIS PARTNERSHIP, BEST CONTACT IS MR. IAN J. BOWLER, PRESIDENT, IRANMEG, TAKHTE JAMSHID AVENUE, FORSAT STREET, KUTCHEH HOMA, TEHRAN, IRAN.

3. FYI: BOWLER, WHO HAS VISITED LAGOS PERIODICALLY PAST FEW MONTHS, IS ALSO CHAIRMAN IMEG S.A. (INTERNATIONAL MANAGEMENT AND ENGINEERING GROUP), A HOLDING COMPANY WHICH CONTROLS IRANMEG AND SEVERAL OTHER ENERGY RELATED COMPANIES. IMEG IS FMG'S CONSULTANT ON GAS GATHERING AND THUS WILL PLAY IMPORTANT ROLE IN NIGERIA IN DEVELOPMENT OF FUTURE GAS GATHERING PIPELINES FOR LNG, PETROCHEMICAL AND FERTILIZER PLANTS, AS WELL AS FOR GAS PIPELINES TO FEED SAPELE THERMAL POWER STATION AND AJAKUTA STEEL MILL. RELATIONSHIPS BETWEEN IMEG AND OTHER COMPANIES INVOLVED IN NIGERIAN PETROLEUM PIPELINE PROJECT ARE COMPLEX IF NOT INCESTUOUS. ACCORDING TO BOWLER, IMEG (FOR DESIGN) AND MONTUBI (FOR CONSTRUCTION) WORKED TOGETHER BEFORE ON SUMED PIPELINE IN MIDDLE EAST. IMEG ALSO PREVIOUSLY WORKED SIDE BY SIDE WITH WILLIAMS INTERNATIONAL ON DIFFERENT SECTIONS OF IGAT I GAS PIPELINE IN IRAN. (BOWLER SAID IMEG OPERATED IGAT FOR IRANIANS FOR TWO YEARS AND THUS EXPECTS TO GET NOT ONLY CONSULTING, BUT DESIGN AND OPERATING CONTRACTS ON NIGERIAN GAS GATHERING SYSTEM.) FINALLY, BOWLER SAID HE IS TECHNICAL ADVISOR TO PRESIDENT OF TSVETMETPROMEXPORT, AND THE TWG FIRMS HAVE WORKED TOGETHER ON LIMITED OFFICIAL USE

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SOVIET-IRANIAN GAS LINES. BOWLER HIMSELF IS A LONG TIME RESIDENT OF IRAN AND IS MARRIED TO A COUSIN OF IRANIAN AMBASSADOR TO NIGERIA SHAHROKH FIROUZ. IMEG MANAGEMENT BOARD INCLUDES ONE K. ZEINAL-ZADE (NOT REPEAT NOT K. AZARTE AS REPORTED REFTEL B) WHO MAY BE RELATED BY MARRIAGE TO SHAH OF IRAN. END FYI

4. ACCORDING TO WILLIAMS INTERNATIONAL OFFICIAL, WILLIAMS HAS COMPLETED FORTY PERCENT OF ENGINEERING DESIGN WORK FOR PIPELINE FROM PORT HARCOURT REFINERY TO MAKURDI, WHILE NEITHER MONTUBI NOR IMEG/TSVETMETPROMEXPORT APPEARS TO HAVE EVEN GOTTEN STARTED. WILLIAMS REPRESENTATIVE SAID BOTH THESE GROUPS HAVE APPROACHED WILLIAMS ABOUT SUB-CONTRACTING CONSTRUCTION ON THEIR SECTIONS. WILLIAMS HAS DECLINED TO BECOME INVOLVED, FEELING THAT BOTH GROUPS ARE HEADED FOR TROUBLE BECAUSE THEY UNDERBID CONSTRUCTION COSTS AND TRIED TO MAKE PROFIT BY EXCESSIVE MARKUPS ON MATERIALS. WILLIAMS ALSO NOT ORIGINALLY INTERESTED IN SECTIONS FROM WARRI REFINERY TO IKORODU, ILORIN AND LAGOS (WHICH IMEG/TSVETMET-PROMEXPORT WON) BECAUSE TERRAIN INCLUDES NOT ONLY BOTH EXTENSIVE

SWAMPS AND ROCK BLASTING, BUT ALSO HEAVILY POPULATED AND CONGESTED URBAN CENTERS, GIVEN SHORT DEADLINE FOR COMPLETION, WILLIAMS REPRESENTATIVE SAID, THERE IS ONLY ONE DRY SEASON AVAILABLE IN WHICH TO DO CONSTRUCTION. ALTHOUGH MUCH OF MONTUBI'S WORK ON WARRI TO KADUNA: KANO, GUSAU, AND MAIDUGURI SECTIONS IS IN DRIER CLIMATIC ZONE, WILLIAMS REP FEELS DELAYED START MAY COST BOTH ITALIANS AND RUSSIANS DEARLY.

5. CONCERNING SEPARATE PROJECT TO DESIGN AND ERECT TEN STORAGE DEPOTS (TANK FARMS) TO HOLD SIXTY DAY SUPPLY OF WHITE PRODUCTS, EMBASSY AWARD FROM MID-NOVEMBER VISIT OF FRED HAMREN AND JOHN VERSTEEG OF PITTSBURGH-DESMOINES STEEL COMPANY, NEVILLE ISLAND, PITTSBURGH, TELEPHONE 412-331-3000, THAT PDM PREQUALIFIED FOR BIDDING ON PROJECT. ALSO BELIEVE CHICAGO BRIDGE AND IRON WORKS HAVE QUALIFIED BASED ON EARLIER VISIT TO LAGOS BY LEE WEBER AND F.C. RICHARDSON OF CBI CONSTRUCTORS, 76 OXFORD STREET, LONDON W1, TELEPHONE 636-9502. AT TIME OF PDM VISIT, BIDS WERE SAID TO BE DUE BY DECEMBER 15. UNABLE TO OBTAIN MORE INFORMATION AT THIS LIMITED OFFICIAL USE

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TIME SINCE OFFICER IN CHARGE OF PROJECT IN MINISTRY OF PETROLEUM RESOURCES, .4. J.J. AKPIEYI, IS ON LEAVE AND HIS ASSISTANT PROFESSOR LACK KNOWLEDGE OF DETAILS. EMBASSY HAS LEARNED THAT FMG CONSULTANT ON THIS PROJECT IS PETROCHEMICAL CONSTRUCTION LIMITED (PCL), 2 JIBOWU STREET, YABA, LAGOS. HOWEVER, PETROLEUM OFFICER VISITED OFFICE BUT FOUND BOTH MANAGERS (KHOURY AND COCKSHOTT) ON LEAVE IN ENGLAND; OFFICE TENDED BY ELDERLY RETIRED GENTLEMAN ON HOLIDAY FROM ENGLAND, WHO KNEW NOTHING OF DETAILS OF PROJECT. HE EXPLAINED THAT FIRM IS LOCAL COMPANY FOUNDED THIRTEEN YEARS AGO AS AGENT FOR RUBEROID OF BRITAIN, DEALING IN BITUMEN ROOFING MATERIAL. FIRM'S PREMISES IN DILAPIDATED OLD HOUSE IN DISTANT MAINLAND AREA OF LAGOS. APPEARANCE IS SUCH AS TO INSPIRE LITTLE CONFIDENCE IN FMG'S CHOICE OF CONSULTANT. SUGGEST BEST SOURCE OF ADDITIONAL INFORMATION FOR SIPS ON STORAGE DEPOT PROJECT WOULD BE PDM OFFICES IN USA. EASUM

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